

MOULTON NIGUEL WATER

\$1,390,000

[Stone + Youngberg, municipal
financing consultants]
Investments Public Sewer
Sewage disposal
Orange co., CA

Moulton Niguel Water District

Orange County, California

**1975 Waste Water Bonds
For Improvement District No. 2A**

General Obligations

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Bids to be received by the Secretary of the Board of Directors of the Moulton Niguel Water District at or before 10:00 A.M. on Wednesday, April 16, 1975 in the Sixth Floor Conference Room of the Bank of America NT&SA, 555 South Flower Street, Los Angeles, California.



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MOULTON-NIGUEL WATER DISTRICT

Orange County, California

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Los Angeles

Stone & Youngberg Municipal Financing Consultants, Inc.
Los Angeles and San Francisco

The information contained within this Official Statement was prepared under the direction of the Board of Directors of the Moulton-Niguel Water District by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the District.

All of the following summaries of the statutes and resolutions are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The information contained in this Official Statement has been compiled from sources believed to be reliable. The Official Statement contains estimates and matters of opinion, which are not intended as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

THE DATE OF THIS OFFICIAL STATEMENT IS APRIL 1, 1975

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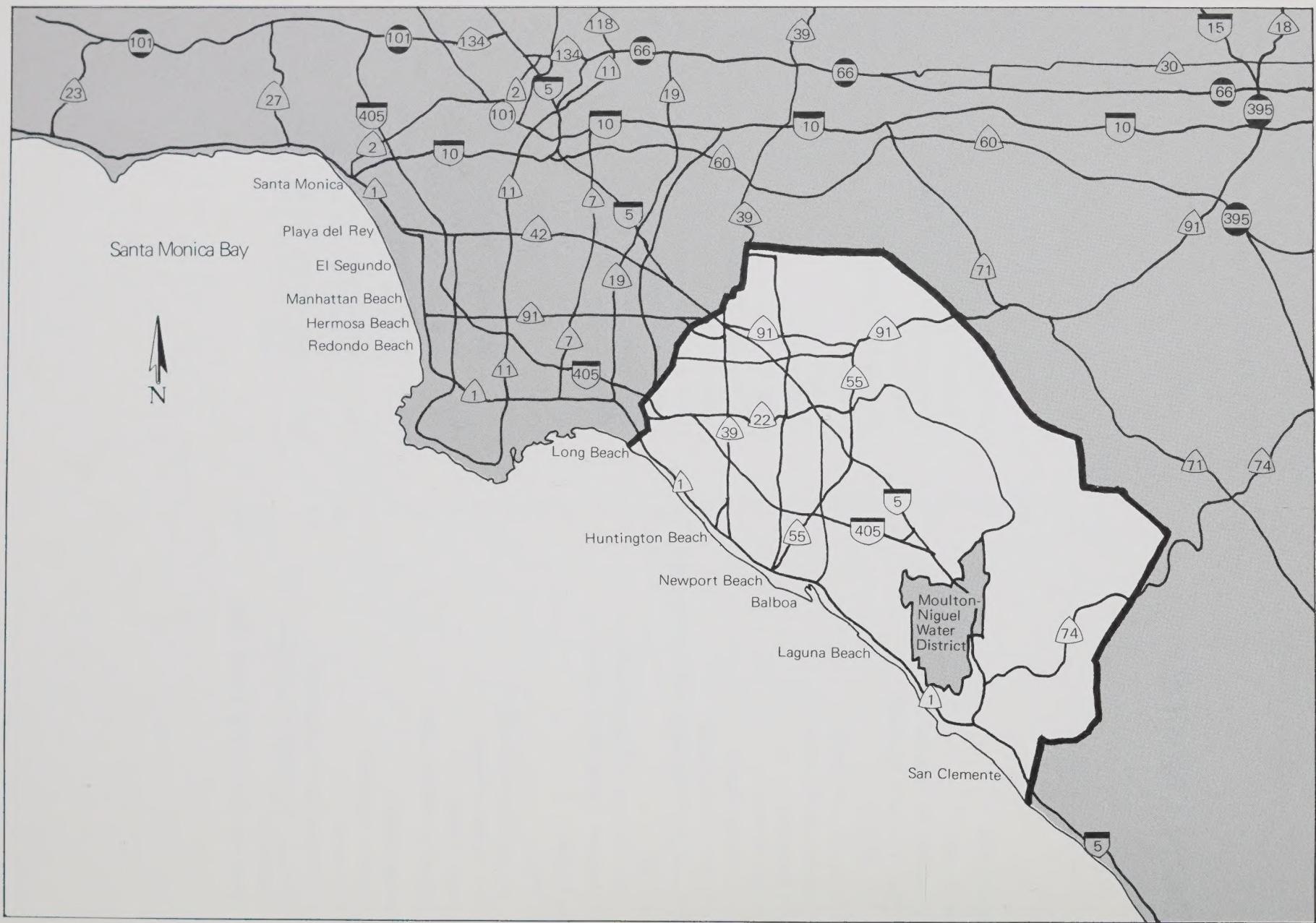


Figure 1 Vicinity Map

INTRODUCTION

The Moulton-Niguel Water District was formed in November of 1960 under provisions of the California Water District Law, Division 13 of the Water Code of the State of California, commencing with Section 34000. The District was formed for the purpose of providing a water supply for the area within its boundaries. The District is supplied with water from the Metropolitan Water District of Southern California East Orange County Feeder No. 2 through the Tri Cities Main and the Eastern Transmission Main.

Subsequently the California Water District Law was amended to authorize the provision of sanitary sewerage service. In April of 1964 Improvement District No. 2A was formed to provide sewerage facilities for an area of 1,225 acres located in the north central portion of the Moulton-Niguel Water District. At the same time Improvement District No. 1 was formed to provide water facilities within the same area. Subsequently the two Improvement Districts were expanded to their present size of 1,385 acres.

The bonds currently being offered for sale will be used to finance a portion of the cost of a regional wastewater treatment and disposal system. The project is being carried out by the Aliso Water Management Agency (AWMA). The proposed AWMA project consists of four interceptor sewers, a regional wastewater treatment plant and an ocean outfall. The AWMA project will serve virtually all of the portion of the Moulton-Niguel Water District located west of Interstate Highway 5, including Improvement District Nos. 1A, 2A, 4A and 5A. Improvement District No. 3A, located east of Highway 5, will be served by another regional wastewater project, being carried out by the Southwest Regional Reclamation Authority.

The \$1,390,000 of bonds for Improvement District No. 2A are being issued to finance the share of the AWMA project costs allocated to the Improvement District. Concurrently, the District is offering for sale \$3,100,000 of bonds for Improvement District No. 1A and \$1,850,000 of bonds for Improvement District No. 4A. The District will advance funds to meet the share of project costs allocated to Improvement District No. 5A and also to cover the share of treatment plant costs allocated to Improvement District Nos. 4A-1, 4A-2 and 4A-3, which together make up Improvement District No. 4A.

Included in the bond issue are sufficient funds to cover the entire costs of the project allocated to Improvement District No. 2A, less only \$186,000 of Federal and State grant funds which either have already been received by the District in connection with prior projects and made available to Improvement District No. 2A or have been approved to cover engineering costs in connection with the AWMA project. However AWMA has also applied for construction grants in connection with the project. If these grants are approved the Improvement District No. 2A share is estimated to be an additional \$162,000. Furthermore, if the grants are approved three additional agencies are expected to participate in the AWMA project, thus reducing the Improvement District's share of the costs of the ocean outfall.

Improvement District No. 2A covers an area of rolling hills located east of Interstate 5, the main

north-south route through the State of California. Interstate 5 provides access to Santa Ana, the county seat, 16 miles to the northwest and Los Angeles, 50 miles to the northwest.

Approximately 30 percent of the land within the Improvement District has been developed, primarily in single family residences. However the District includes a commercial area adjacent to Interstate 5 which contains a Hilton Inn, restaurants, professional offices and retail businesses.

The commercial and residential growth in the Improvement District have been accompanied by an increase in assessed valuations. The assessed valuation of land only, the basis for taxation under the California Water District Law, increased from \$326,140 in 1963/64 to \$4,764,820 in 1974/75. The total assessed valuation of all property within the District for 1974/75 was \$13,466,880.

THE BONDS

Authority for Issuance

The \$1,390,000 principal amount of Moulton-Niguel Water District 1975 Waste Water Bonds for Improvement District No. 2A, are general obligations of the Improvement District being issued pursuant to Resolution No. 660 adopted by the District Board of Directors on March 20, 1975, and under provisions of the California Water District Law (Division 13 of the Water Code of the State of California, commencing with Section 34000).

Pursuant to Section 53541 of the Government Code of the State of California, the bonds will be issued in place of an equal principal amount of authorized but unissued bonds bearing a maximum interest rate of six percent. The bonds represent a portion of the \$2,190,000 authorized but unissued balance of a combined authorization of \$3,555,000, consisting of \$1,765,000 of bonds approved at an election held on May 5, 1964 and \$1,790,000 of bonds authorized at an election held on July 23, 1968.

The District sold \$915,000 of Improvement District No. 2A 1964 Sewer Bonds on August 20, 1964 and \$450,000 of 1968 Sewer Bonds, Series 1, on September 19, 1968.

State Treasurer Approval

The law requires that the sale of any issue of bonds by the District must first be approved by the State Treasurer based on the recommendation of the District Securities Advisory Commission. An application for permission to sell the bonds has been made and a response is expected prior to the sale.

Sale of Bonds

Sealed bids for the purchase of the bonds will be received and opened by the Secretary of the Board of Directors of the District on Wednesday, April 30, 1975 at 10:00 a.m. (P.D.S.T.) in the Sixth Floor Conference Room of the Bank of America, NT&SA, 555 South Flower Street, Los Angeles, California 90017. It is expected that the bids will be referred to the Board of Directors for action at a meeting to be held later that day at the District office. Details of the terms of sale are contained in the official notice inviting bids adopted April 1, 1975.

Description of Bonds

The bonds will be in the denomination of \$5,000, all dated April 15, 1975, and numbered 1 to

278. Bonds are to mature in consecutive numerical order on April 15 in each of the years and in the amounts shown by the accompanying schedule of maturities.

SCHEDULE OF MATURITIES

Maturity Date April 15	Principal Maturing	Maturity Date April 15	Principal Maturing
1981	\$ 20,000	1997	\$ 65,000
1982-84	25,000	1998	70,000
1985-86	30,000	1999	75,000
1987-88	35,000	2000	80,000
1989-90	40,000	2001	85,000
1991-92	45,000	2002	90,000
1993-94	50,000	2003	100,000
1995	55,000	2004	105,000
1996	60,000	2005	110,000

Interest will be payable by coupon semiannually on April 15 and October 15, beginning October 15, 1975.

Principal and interest are payable at the office of the Treasurer of the District or at the offices of the paying agents of the District in Los Angeles, San Francisco, Chicago and New York.

Redemption Provisions

The resolution of issuance provides that bonds maturing on or before April 15, 1990, a principal amount of \$305,000, are not subject to call or redemption prior to their fixed maturity date. The bonds maturing on and after April 15, 1991, a principal amount of \$1,085,000, are subject to call and redemption as a whole or in part in inverse order of maturity and by lot within a maturity at the option of the District on any interest payment date on and after April 15, 1990, upon payment of the principal amount and interest to the date of redemption plus a premium equal to one quarter of one percent of the principal amount for each year or portion of a year remaining between the redemption date and the maturity date.

Registration

The bonds will be issued as coupon bonds which will be registrable as to principal only or as to both principal and interest and to discharge from registra-

tion, all at the option of the holder, under terms of the resolution of issuance.

Legal Opinion

The unqualified opinion of O'Melveny & Myers, Los Angeles, California, bond counsel for the Moulton-Niguel Water District, attesting to the validity of the bonds will be supplied free of charge to the original purchasers of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions.

Legality for Investment

It is expected that the bonds will be certified by the State Controller of the State of California, pursuant to investigation by the State Treasurer, as legal investments in California for all trust funds and for the funds of all insurance companies, commercial banks, trust companies, the State, school funds and any funds which may be invested in county, municipal or school district bonds, and as eligible security for the deposit of public moneys in banks in the State.

In the opinion of Bond Counsel, the bonds do not qualify for the investment of funds of savings banks under provisions of the Financial Code of the State of California.

Purpose and Disposition of Bond Proceeds

The proceeds from the sale of the bonds will be used to finance the Improvement District's share of the costs of a regional water quality control project as described in the section entitled "The Project."

Security

Bond principal and interest are payable from annual ad valorem assessments which may be levied without limitation as to rate or amount on all assessable lands within the Improvement District, provided that the District may use funds derived from

sewerage service charges, acreage assessments and connection charges to meet bond service, if available for that purpose.

State Approval of Expenditures

As previously stated, the State Treasurer, after making an investigation of the project and its financing, must approve the issuance and sale of the bonds. In addition, the District is required under the law to obtain the approval for the expenditure of bond

proceeds for the purposes designated. Annually thereafter the District must submit a detailed report to the District Securities Division disclosing its financial transactions and other activities.

Estimated Annual Bond Service

Table 1 presents an estimate of the total annual bond service for the Bonds, based on an estimated interest rate of 7½ per cent.

Table 1**MOULTON - NIGUEL WATER DISTRICT****IMPROVEMENT DISTRICT NO. 2A**
Estimated Annual Bond Service

Fiscal Year	1975 Waste Water Bonds						Prior Bond Issue	Combined Bond Service
	Principal Outstanding	Interest Estimated @ 7 1/4 %	Principal Maturing April 15	Total Bond Service	Prior Bond Issue	Prior Bond Issue		
1975/76	\$1,390,000	\$ 100,775.00	\$ —	\$ 100,775.00	\$ 92,210.00	\$ 92,210.00	\$ 192,985.00	
1976/77	1,390,000	100,775.00	—	100,775.00	90,672.50	90,672.50	191,447.50	
1977/78	1,390,000	100,775.00	—	100,775.00	89,135.00	89,135.00	189,910.00	
1978/79	1,390,000	100,775.00	—	100,775.00	97,597.50	97,597.50	198,372.50	
1979/80	1,390,000	100,775.00	—	100,775.00	95,622.50	95,622.50	196,397.50	
1980/81	1,390,000	100,775.00	20,000	120,775.00	93,647.50	93,647.50	214,422.50	
1981/82	1,370,000	99,325.00	25,000	124,325.00	96,672.50	96,672.50	220,997.50	
1982/83	1,345,000	97,512.50	25,000	122,512.50	94,460.00	94,460.00	216,972.50	
1983/84	1,320,000	95,700.00	25,000	120,700.00	97,247.50	97,247.50	217,947.50	
1984/85	1,295,000	93,887.50	30,000	123,887.50	99,760.00	99,760.00	223,647.50	
1985/86	1,265,000	91,712.50	30,000	121,712.50	102,035.00	102,035.00	223,747.50	
1986/87	1,235,000	89,537.50	35,000	124,537.50	99,035.00	99,035.00	223,572.50	
1987/88	1,200,000	87,000.00	35,000	122,000.00	101,015.00	101,015.00	223,015.00	
1988/89	1,165,000	84,462.50	40,000	124,462.50	97,757.50	97,757.50	222,220.00	
1989/90	1,125,000	81,562.50	40,000	121,562.50	104,500.00	104,500.00	226,062.50	
1990/91	1,085,000	78,662.50	45,000①	123,662.50	100,850.00	100,850.00	224,512.50	
1991/92	1,040,000	75,400.00	45,000①	120,400.00	102,200.00	102,200.00	222,600.00	
1992/93	995,000	72,137.50	50,000①	122,137.50	98,325.00	98,325.00	220,462.50	
1993/94	945,000	68,512.50	50,000①	118,512.50	104,475.00	104,475.00	222,987.50	
1994/95	895,000	64,887.50	55,000①	119,887.50	100,125.00	100,125.00	220,012.50	
1995/96	840,000	60,900.00	60,000①	120,900.00	40,775.00	40,775.00	161,675.00	
1996/97	780,000	56,550.00	65,000①	121,550.00	38,850.00	38,850.00	160,400.00	
1997/98	715,000	51,837.50	70,000①	121,837.50	36,925.00	36,925.00	158,762.50	
1998/99	645,000	46,762.50	75,000①	121,762.50	—	—	121,762.50	
1999/00	570,000	41,325.00	80,000①	121,325.00	—	—	121,325.00	
2000/01	490,000	35,525.00	85,000①	120,525.00	—	—	120,525.00	
2001/02	405,000	29,362.50	90,000①	119,362.50	—	—	119,362.50	
2002/03	315,000	22,837.50	100,000①	122,837.50	—	—	122,837.50	
2003/04	215,000	15,587.50	105,000①	120,587.50	—	—	120,587.50	
2004/05	110,000	7,975.00	110,000①	117,975.00	—	—	117,975.00	
		\$2,153,612.50	\$1,390,000	\$3,543,612.50	\$2,073,892.50	\$2,073,892.50	\$5,617,505.00	

① Callable on and after April 15, 1990

THE PROJECT

The proceeds from the sale of the bonds will be used to finance the Improvement District's share of a regional wastewater disposal system to be constructed by the Aliso Water Management Agency (AWMA).

AWMA

The Aliso Water Management Agency was formed on March 1, 1972, under a joint exercise of powers agreement between the Moulton-Niguel Water District, the El Toro Water District, the Irvine Ranch Water District, the City of Laguna Beach, the Los Alisos Water District and the South Laguna Sanitary District. Subsequently, the agreement was amended to include the Emerald Bay Service District and the Santa Ana Mountains County Water District. The Agency was formed for the purpose of planning, constructing, operating and maintaining a regional system for the utilization and disposal of wastewater. The Agency is responsible for an area of 54,665 acres, including the 1,385 acres within Improvement District No. 2A.

Existing District Facilities

Wastewater facilities within Improvement District No. 2A consist of a network of trunk and collector sewers and a 0.35 million gallon per day (MGD) secondary waste water treatment plant. Water from the plant is disposed of by percolation and evaporation. In addition Improvement District Nos. 1A, 2A, and 3A jointly own an interceptor sewer which conveys excess wastewaters to the South Laguna Sanitary District's 3.2 MGD treatment plant. The Moulton-Niguel Water District, has purchased rights to one half the capacity in this plant, which has been allocated as follows: Improvement District No. 1A: 0.7 MGD; Improvement District No. 2A: 0.2 MGD; and Improvement District No. 3A: 0.7 MGD.

However, Improvement District No. 3A has joined another regional wastewater reclamation project and may sell its interest in the interceptor and treatment capacity to Improvement District Nos. 1A, 2A, 4A, 4A-1, 4A-2, 4A-3, and 5A. Additionally, the South Laguna Sanitary District has an option to purchase the Moulton-Niguel Water District's one-half interest in the treatment plant.

The AWMA Project

The proposed AWMA project consists of an ocean outfall; four interceptor sewers to convey waste-

waters from the agencies within AWMA to the outfall, including one raw sewage interceptor or affluent line to serve portions of the Moulton-Niguel Water District, the El Toro Water District and the Los Alisos Water District; construction of a regional wastewater treatment plant to serve the latter three agencies and modification of the South Laguna Sanitary District treatment plant.

However, the City of Laguna Beach has indicated that it will participate in the project only if State and Federal grants described below are approved. If the City of Laguna Beach participates, the Emerald Bay Service District and the Irvine Ranch Water District are also expected to take part, since the AWMA plan calls for them to participate in a joint interceptor line with Laguna Beach.

Grant Funds

AWMA has made application for State and Federal grant funds equivalent to 87.5 percent of the estimated costs of eligible portions of the project. An estimated \$348,000 of these funds would be applicable to the Improvement District No. 2A share of the project costs. However the District has included in its bond issue sufficient funds to cover its entire share of the project costs, less only the \$186,000 of grant funds which either have already been received in connection with prior projects and made available to Improvement District No. 2A or which have been approved to cover engineering costs in connection with the AWMA project.

Estimated Project Costs

Table 2 shows an estimate of the Improvement District's share of the estimated AWMA project costs. Included is the estimated cost of an ocean outfall

adequate to serve the Moulton-Niguel Water District, the Los Alisos Water District, the El Toro Water District and the South Laguna Sanitary District. However, the construction bid documents will include as an alternative an ocean outfall adequate to serve the Emerald Bay Service District, the Irvine Ranch Water District and the City of Laguna Beach, should these agencies elect to participate.

Should the Improvement District's share of total project costs exceed the estimates, it is anticipated that the Improvement District plan of works will be modified, subject to the notice and hearing process, to reduce the treatment plant capacity, unless offsetting State and Federal grants are approved for the project.

Table 2
MOULTON-NIGUEL WATER DISTRICT
IMPROVEMENT DISTRICT NO. 2A

Estimated Project Costs

Ocean Outfall	\$ 391,000
Aliso Creek Interceptor	213,000
Wastewater Treatment Plant	665,000
Total Construction Costs	\$1,269,000
Interest During Construction	195,000
Reserve Fund	90,000
Legal and Financing	11,000
Administration and Contingencies	30,000
Total Funds Required	\$1,595,000
Less: Other Funds Available	
Prior Bond Issue Proceeds	19,000
Grants Approved or Received	186,000
Net Funds Required	\$1,390,000

FINANCIAL DATA

Assessed Valuation

The assessed valuation of the Moulton-Niguel Water District is established by the Orange County Assessor, except for utility property which is assessed by the State Board of Equalization. The State Board of Equalization reported that Orange County assessed valuations for the 1974/75 fiscal year averaged 25 percent of full cash value, the same percentage at which utility property is reported to be assessed.

District taxes are levied against the assessed valuation of land only before exemptions. Following are the assessed valuations of the Moulton-Niguel Water District and Improvement District No. 2A for the 1974/75 fiscal year.

MOULTON-NIGUEL WATER DISTRICT and IMPROVEMENT DISTRICT NO. 2A

1974/75 Assessed Valuation (Land Only)

	Improvement District No. 2A	Water District
Local Secured Roll	\$4,764,820	\$60,689,340
Utility Roll	—	171,820
Total	\$4,764,820	\$60,861,160

The following summary shows the growth in assessed valuation (land only) which has occurred over the past five years.

MOULTON-NIGUEL WATER DISTRICT and IMPROVEMENT DISTRICT NO. 2A

Growth in Assessed Valuation (Land Only)

Fiscal Year	Improvement District No. 2A	Water District
1970/71	\$2,781,860	\$35,154,730
1971/72	2,973,520	37,213,000
1972/73	4,104,870	49,403,160
1973/74	4,178,610	53,339,570
1974/75	4,764,820	60,861,160

The following tabulations show the 1974/75 assessed valuation of all property (land, improvements and personal property) located within the Water

District and Improvement District No. 2A. These valuations reflect two types of exemptions (\$1,750 of the assessed valuation of an owner occupied dwelling and 50 percent of the assessed valuation of business inventories) which do not result in any loss of revenues to local taxing agencies since an amount equal to the taxes which would have been payable on such exempt valuations is reimbursed by the State.

MOULTON-NIGUEL WATER DISTRICT

1974/75 Assessed Valuations of All Property

	Net Assessed Valuation	Homeowners and Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Moulton-Niguel Water District			
Secured	\$134,205,895	\$19,582,535	\$153,788,430
Utility	5,197,800	—	5,197,800
Unsecured	3,767,690	461,760	4,229,450
Total	\$143,171,385	\$20,044,295	\$163,215,680

MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 2A

1974/1975 Assessed Valuations of All Property

	Net Assessed Valuation	Homeowners and Business Inventory Exemptions	Assessed Valuation For Revenue Purposes
Secured	\$ 11,229,650	\$ 1,631,700	\$ 12,861,350
Utility	307,130	—	307,130
Unsecured	261,785	36,615	298,400
Total	\$ 11,798,565	\$ 1,668,315	\$ 13,466,880

Tax Rates

The tax rates for the Moulton-Niguel Water District and Improvement District No. 2A have been reduced in each of the past eight years.

The following tabulation shows a five-year summary of the tax rates for the Water District and Improvement District No. 2A.

MOULTON-NIGUEL WATER DISTRICT and IMPROVEMENT DISTRICT NO. 2A

Five-Year Summary of Tax Rates Per \$100 Assessed Valuation

Fiscal Year	Improvement District No. 2A	Water District
1970/71	\$2.3526	\$1.6015
1971/72	2.3602	1.5000
1972/73	1.7400	1.1460
1973/74	1.7400	0.9900
1974/75	1.7400	0.8900

The largest tax rate area within Improvement District No. 2A is Tax Rate Area 88-038. The assessed valuation of all property within Tax Rate Area 88-038 is \$7,180,280 and the assessed valuation of land only is \$1,893,360. These assessed valuations represent 53.32 percent and 39.74 percent, respectively, of the total assessed valuations within Improvement District No. 2A. The following table shows the 1974/75 tax rate for Tax Rate Area 88-038.

Tax Rate Area 88-038

1974/75 Tax Rates Per \$100

Assessed Valuation

Orange County	.....	\$ 1.8094
Saddleback Valley Unified School District	.....	6.4948①
Saddleback Community College	.....	.7005
Other Education Taxes	.....	.0933
Metropolitan Water District of Southern California	.....	.1500
County Flood Control District	.....	.2222
Other Special Districts	.....	1.0389
Total — All Rolls	.....	\$10.5091
Street Light Maintenance District No. 1	.....	.1223②
Moulton-Niguel Water District	.....	.8900③
Moulton-Niguel Water District I.D. No. 2	.....	.4600③
Moulton-Niguel Water District I.D. No. 2A	.....	1.7400③

① Includes rates for bonds of predecessor districts

② Tax on land and improvements

③ Tax on land only

Tax Levies and Delinquencies

Following is a record of taxes levied by the Moulton-Niguel Water District and Improvement District No. 2A during the past five fiscal years, together with the amounts and percentages delinquent as of June 30 of each year.

MOULTON-NIGUEL WATER DISTRICT

Tax Levies and Delinquencies

Fiscal Year	Tax Levy	Delinquency as of June 30	
		Amount	Percent
1969/70 ...	\$500,091.42	\$ 4,580.98	0.92%
1970/71 ...	560,742.16	1,735.62	0.31
1971/72 ...	557,302.77	8,818.10	1.58
1972/73 ...	561,464.33	11,187.64	1.99
1973/74 ...	524,843.57	8,914.72	1.70

MOULTON-NIGUEL WATER DISTRICT

IMPROVEMENT DISTRICT NO. 2A

Tax Levies and Delinquencies

Fiscal Year	Tax Levy	Delinquency as of June 30	
		Amount	Percent
1969/70 ...	\$ 52,016.80	\$ 333.83	0.64%
1970/71 ...	65,444.08	223.37	0.34
1971/72 ...	70,178.67	912.02	1.30
1972/73 ...	70,891.56	947.71	1.34
1973/74 ...	72,666.49	326.92	0.45

Revenues, Expenditures and Fund Balances

Tables 3 and 4 show a five-year summary of revenues and expenditures for the Moulton-Niguel Water District and Improvement District No. 2A, as reported in annual financial statements prepared by

Hanson, Peterson, Cowles & Sylvester, Certified Public Accountants, Tustin, California.

Fund balances as of June 30, 1974 for Improvement District No. 2A and the combined District totals are listed below.

MOULTON-NIGUEL WATER DISTRICT

June 30, 1974 Fund Balances

	Moulton-Niguel Water District	Improvement District No. 2A
Debt Service Fund	\$ 33,977	\$ —
Sinking Fund	85,185	—
Bond Reserve Fund	1,250,231	85,788
Bond Construction Fund	808,264	23,770
Planning and Construction Reserve	3,318,092	127,080
Totals	\$5,495,749	\$236,638

Direct and Overlapping Bonded Debt

Following the sale of the bonds currently being offered for sale there will be \$2,695,000 of general obligation bonds of Improvement District No. 2A outstanding, consisting of the following issues.

MOULTON-NIGUEL WATER DISTRICT

IMPROVEMENT DISTRICT NO. 2A

General Obligation Bonded Debt

Original Issue	Dated	Amount Outstanding	Final Maturity
\$ 915,000	1/1/64	\$ 855,000	1995
450,000	1/1/68	450,000	1998
1,390,000	5/1/75	1,390,000	2004

Table 5 shows a statement of direct and estimated overlapping general obligation bonded debt of Improvement District No. 2A.

Table 3**MOULTON-NIGUEL WATER DISTRICT****Revenues and Expenditures**

	1969/70	1970/71	1971/72	1972/73	1973/74
REVENUES					
Water Sales	\$ 526,259	\$ 656,808	\$ 752,802	\$ 860,999	\$1,102,922
Sanitation Charges	125,564	157,356	203,706	247,507	293,563
Water Sales and Connection Charges	—	—	—	105,331	250,860
Other Operating Income	—	—	5,820	—	9,238
Interest Earned	548,308	368,945	325,604	258,718	504,050
Property Taxes and Assessments	1,022,036	1,232,143	1,247,715	1,328,467	1,357,763
Contributions in Aid of Construction	987,465	913,119	1,239,552	944,026	3,270,741①
Other Non-Operating Income	—	25,617	13,742	26,059	53,005
Total Revenue	\$3,209,632	\$3,353,988	\$3,788,941	\$3,771,107	\$6,842,142
EXPENDITURES					
Operating Expense②	\$ 935,761	\$1,243,901	\$1,536,469	\$1,955,657	\$2,438,678
Interest Expense	599,810	586,731	802,082	1,176,380	1,162,720
Other Non-Operating Expense	—	—	12,499	129,185	53,790
Total Expenditures	\$1,535,571	\$1,830,632	\$2,351,050	\$3,261,222	\$3,655,188
NET INCOME	\$1,674,061	\$1,523,356	\$1,437,891	\$ 509,885	\$3,186,954
Depreciation	264,662	327,364	401,798	587,765	675,081
WORKING CAPITAL	\$1,938,723	\$1,850,720	\$1,839,689	\$1,097,650	\$3,862,035

① Includes federal and state grant funds of \$2,842,013

② Includes depreciation

Table 4**MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 2A****Revenues and Expenditures**

	1969/70	1970/71	1971/72	1972/73	1973/74
REVENUES					
Sanitation Charges	\$ 11,402	\$ 14,671	\$ 19,839	\$ 22,751	\$ 28,398
Connection Fees	—	—	—	—	37,149
Other Operating Income	96	—	270	—	47
Interest Earned	32,331	15,950	17,367	10,604	17,152
Property Taxes and Assessments ..	54,817	67,766	88,671	74,066	75,953
Contributions in Aid of Construction	118,120	1,440	24,167	16,360	5,478
Other Non-Operating Income	—	1,136	—	334	59,254
Total Revenues	\$ 216,766	\$ 100,963	\$ 150,314	\$ 124,115	\$ 223,431
EXPENDITURES					
Operating Expense①	\$ 42,305	\$ 62,416	\$ 76,598	\$ 94,177	\$ 104,778
Interest Expense	41,863	41,388	66,473	65,760	65,048
Other Non-Operating Cost	—	—	130	7,111	1,025
Total Expenditures	\$ 84,168	\$ 103,804	\$ 143,201	\$ 167,048	\$ 170,851
NET INCOME	\$ 132,598	\$ (2,841)	\$ 7,113	\$ (42,933)	\$ 52,580
Depreciation	18,949	23,416	33,228	38,769	39,664
	\$ 151,547	\$ 20,575	\$ 40,341	\$ (4,164)	\$ 92,244

① Includes depreciation

Table 5**MOULTON-NIGUEL WATER DISTRICT****IMPROVEMENT DISTRICT NO. 2A****Direct and Overlapping Bonded Debt**

Estimated Population	4,130
1974/75 Assessed Valuation	
Land Only	\$ 4,764,820
All Rolls	13,466,880
Estimated Market Value	
Land Only Per Assessor	\$ 19,059,000①
Land Only Per Appraisal	22,160,000②
All Property Per Assessor	53,868,000①
Debt Applicable April 30, 1975③	
Agency	Percentage Amount
Orange County	0.215% \$ 9,385
Orange County Flood Control District	0.215 49,439
Metropolitan Water District	0.037 204,315
Saddleback Junior College District	1.198 86,016
Capistrano Unified School District	0.017 5,191
Saddleback Valley Unified School District	5.162 437,738
Tustin Union High School District (Various Issues)	1.402-1.975 151,393
San Joaquin School District (Various Issues)	2.111-3.221 394,096
Moulton-Niguel Water District	7.829 436,075
Moulton-Niguel Water District, Improvement District No. 2	100. 480,000
Moulton-Niguel Water District, Improvement District No. 2A	100. 2,670,000
County Sanitation District 7A	0.424 801
TOTAL DIRECT AND OVERLAPPING BONDED DEBT	\$4,924,449

	Percentage of		
	Assessed Valuation	Market Value	Per Capita
Assessed Valuation			
Land Only	— %	— %	\$1,154
All Property	—	—	3,261
Direct Debt	29.17 ④	2.58 ⑤	646
Direct and Overlapping Debt	36.57 ⑥	9.14 ⑥	1,192

① The State Board of Equalization reported that Orange County assessed valuation for the 1974/75 fiscal year averaged 25 percent of full cash value. Utility property is reported to be assessed at the same rate.

② See Appendix 1.

③ Excludes sales, if any, between April 1, 1975 and April 30, 1975, except for the bonds described in this official statement. Also excludes \$61,663 share of obligations secured by leases to County.

④ Based on assessed valuation of land only.

⑤ Based on appraised value.

⑥ Based on assessed valuation of all property.

THE DISTRICT

The Moulton-Niguel Water District covers an area of 24,500 acres located in southwestern Orange County, approximately 16 miles southwest of Santa Ana, the county seat and 50 miles southwest of Los Angeles.

Organization and Operation

The Moulton-Niguel Water District ("the District") was organized in November 1960 pursuant to the California Water District Law (Division 13 of the Water Code of the State of California, commencing with Section 3400). It is governed by a board of directors consisting of seven members, each being elected at large by qualified voters in the district. The board elects a president from its members and appoints a secretary. The treasurer is elected by the voters. A general election for officers must be held every two years. The water district presently maintains a full-time staff of 32 employees, under the overall supervision of a general manager who is appointed by and responsible to the governing board. Mr. Carl J. Kymla, a native of Orange County and graduate of the University of Southern California, serves as General Manager of the Moulton-Niguel Water District. Mr. Kymla is also the Chairman of AWMA and since 1973 has served as a member of the Board of Directors of the Metropolitan Water District of Southern California. Prior to joining the district, he was associated with the Orange County government in an executive capacity and has had experience at various levels of local government.

A biographical sketch of each of the officers of the District is as follows:

Mr. Ivar O. Hanson, President of the Board of Directors of the District, served as president and a director of the Laguna-Niguel Corporation from 1960 until his retirement in 1967. Prior to 1960, Mr. Hanson was the general manager of Palos Verdes Properties. That organization was responsible for the development of a majority of the 16,000-acre Palos Verdes peninsula, which includes such well-known Los Angeles area communities as Rolling Hills, Palos Verdes Estates, Portuguese Bend, and the supporting facilities such as shopping centers, a research center, and golf course.

Mr. H. L. "Les" Remmers, a Vice-President and Director of the District, was engaged in agricultural activities in the Riverside and Orange County areas for 41 years until his retirement in 1962. Mr. Remmers is a resident-homeowner within Improvement Districts 1 and 1A. He has also served as a director

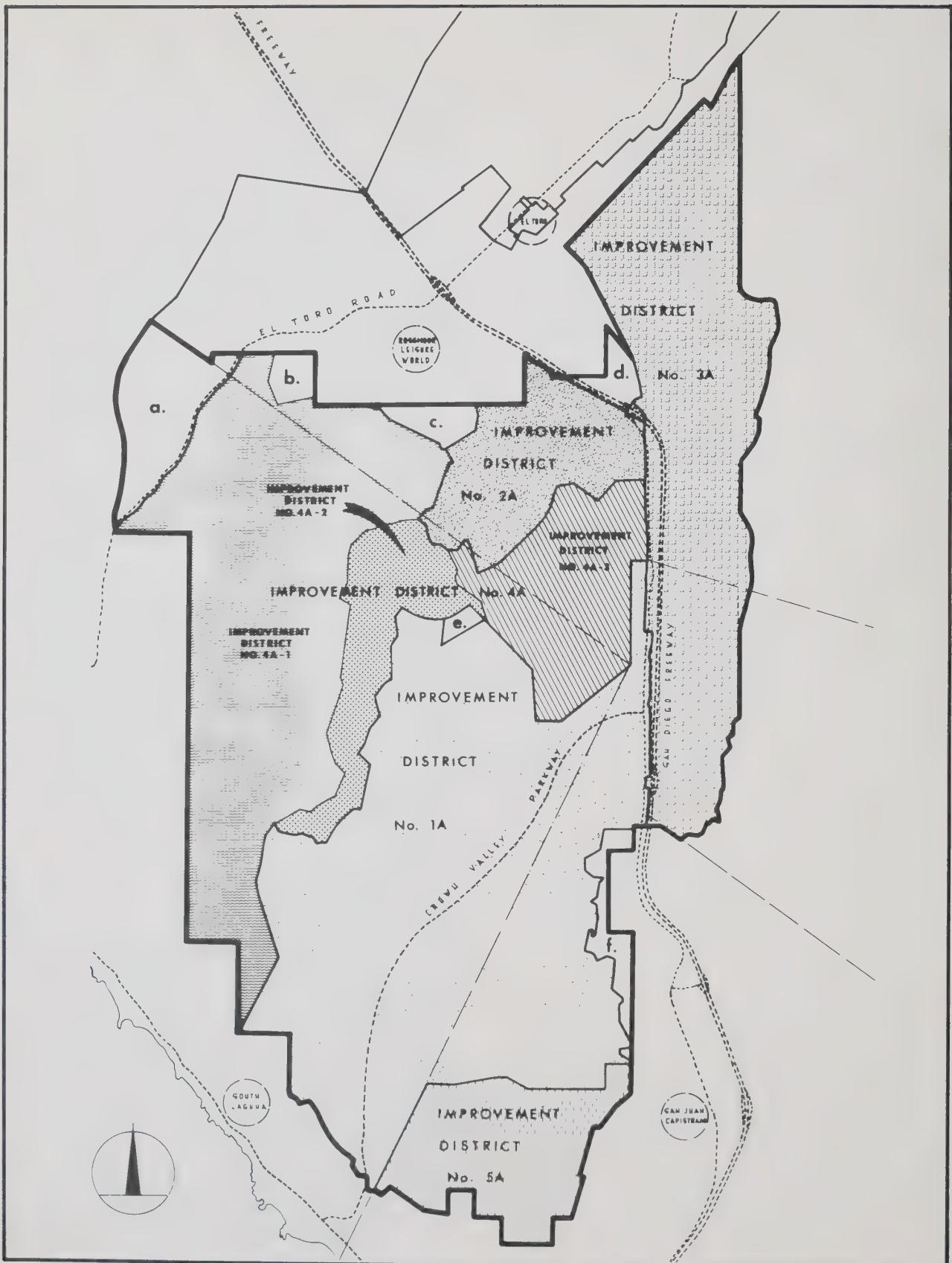


Figure 2. Improvement District Boundaries

of the Trabuco Water Company in San Juan and as a Director and President of the Coastal Municipal Water District.

Mr. Larry R. Lizotte, a Vice-President and Director of the District, and a resident-homeowner within Improvement Districts 1 and 1A, is a Vice-President of Broadmoor Homes, a major developer of residential properties in Orange County. Mr. Lizotte was formerly employed by the Laguna-Niguel Corporation (since acquired by Avco Community Developers, Inc.) and participated in the initial development of the District.

Mr. Robert L. Aldrich, a Director of the District, is a resident-homeowner within Improvement Districts 3 and 3A of the District. Mr. Aldrich is employed by Avco Insurance Company as an Assistant Vice President/Underwriting for specialty lines.

Mr. Robert E. Dwyer, a retired advertising executive, was appointed to the Board of Directors of the District in March 1975. He is a resident-homeowner within Improvement Districts 1 and 1A. Mr. Dwyer has served as Vice President and Director of the Three Arch Bay Community Services District and as a Director of the South Coast County Water District. Other community activities have included service as Vice-President, Director and Executive Officer of the Three Arch Bay Association and as Vice-President of the United South Orange Community Association.

Mr. Harold M. Mathisen, a Director of the District is a resident-homeowner within Improvement Districts 2 and 2A. Mr. Mathisen, who is retired, brings to the District a broad background in water utility management and engineering.

Mr. Torrey H. Webb, a Director of the District, has spent most of his active business life in the petroleum industry. From August 1, 1938, to November 1, 1941, he served as Vice-President and general manager of the Texas Company of California, and, from November 1, 1941, until the time of his retirement on December 31, 1956, he served as Vice-President of the Texas Company of Delaware (now Texaco, Inc.). His activities for these companies covered the eight western states, with his headquarters being in Los Angeles, California.

Improvement District No. 2A

Improvement District No. 2A is located southwesterly of the San Diego Freeway in the north central portion of the Moulton-Niguel Water District.

Improvement District No. 2A was formed in April of 1964 to provide sewerage facilities for the area within its boundaries. At the same time Improvement District No. 1 was formed to provide water facilities within the same area.

The Improvement District encompasses an area of approximately 1,385 acres of which 159 acres has recently been annexed. The terrain consists primarily of gently rolling hills with elevations ranging from 240 feet to 400 feet above sea level in the northerly portion of the Improvement District. The crest of the hills which form the southerly boundary of the Improvement District ranges in elevation between 500 feet and 650 feet above sea level.

Population

The following tabulation shows the growth in the estimated population of the Moulton-Niguel Water District and Improvement District No. 2A over the past ten years.

MOULTON-NIGUEL WATER DISTRICT

Estimated Population^①

Year	Moulton-Niguel Water District	Improvement District No. 2A
1964	211	—
1965	1,883	383 ^②
1966	4,140	799 ^②
1967	8,422	1,099
1968	12,691	1,351
1969	16,997	1,809
1970	20,912	2,205
1971	27,602	3,097
1972	34,213	3,289
1973	37,843	3,567
1974	40,399	4,114

^① Based on number of active water service connections.

^② As of mid-year. All others as of year end.

The present population of the Improvement District is estimated to be 4,130. The ultimate population is projected to be 16,500.



Examples of single family and multiple dwellings within the Improvement District



MOULTON-NIGUEL WATER DISTRICT IMPROVEMENT DISTRICT NO. 2

Water Services

Year End	Meter Size					Total Services
	3/4"	1"	1 1/2"	2"	6-12"	
1965	185	—	—	2	—	187
1966	259	—	—	2	—	261
1967	308	—	—	2	2	312
1968	371	—	—	2	2	375
1969	496	—	—	2	2	500
1970	597	—	—	2	2	601
1971	837	—	—	2	2	841
1972	889	—	—	3	2	894
1973	963	—	1	8	2	974
1974	1,120	5	2	45	4	1,176

Residential Development

Approximately 30 percent of the land within the Improvement District has been developed. There are approximately 1,000 occupied dwelling units within the Improvement District.

The growth of the Improvement District over the past ten years is illustrated by the tabulation of water services shown above.

Climate

The climate of the District is typical of the coastal plain of Southern California, being mild and relatively uniform. Median temperatures recorded at the nearby El Toro Marine Corps Air Station range from a high of 71.7 degrees in July to a low of 54.2 degrees in December. Rainfall is generally confined to the period between November and March. The proximity of the District to the ocean and the prevailing wind patterns combine to produce relatively smog-free conditions.

Utilities

Water and sewer services are provided by the Moulton-Niguel Water District. Pacific Telephone Co., Southern California Gas Co., Southern California Edison Co. and San Diego Gas & Electric Co. provide other utilities, all of which are underground.

Employment

Residents of the District find employment throughout Orange County. Total employment in the County, as reported by the California Employment Development Department, is shown in the accompanying tabulation.

ORANGE COUNTY

Employment

	December 1973	December 1974
Aerospace and Electronics	62,800	63,000
Non-electrical Machinery	16,900	18,900
Other Durable Goods	34,700	33,400
Nondurable Goods	33,500	33,200
Total Manufacturing	147,900	148,500
Wholesale and Retail Trade	128,800	142,600
Services	96,800	104,500
Government	83,000	86,200
Construction	30,400	28,000
Finance Insurance and Real Estate	28,000	29,900
Transportation, Communica- tions and Utilities	17,500	18,500
Agriculture	6,300	6,100
Mining	1,900	1,900
	540,600	566,200



A view of the northeastern portion of the Improvement District



The South Orange County Civic Center

Industry

The Laguna Niguel Industrial Park is located in the adjacent Improvement Districts 1 and 1A. Occupants at the park are engaged primarily in commercial and light industrial enterprises.

The table on the following page lists the major manufacturing industries in Orange County, as reported by the Orange County Chamber of Commerce.

The Irvine Industrial Complex, covering more than 6,000 acres located north of the District, is one of the largest planned industrial developments in the nation. Already more than 500 companies have located manufacturing and other facilities employing approximately 35,000 people within the complex and continued growth is expected. The Fluor Corporation is presently constructing a facility within the complex which will employ an estimated 5,000 people.

The Irvine Company has announced plans for the Irvine Industrial Complex-East to be located about four miles north of the District. It will cover approximately 2,600 acres, including more than 1,900 acres

to be devoted to industry and 600 acres for commercial facilities. The commercial facilities will be designed, in part, to serve people employed within the complex. The Irvine Company expects to commence industrial sales and leasing activities within the new complex in about one year.

Government Facilities

The South Orange County Civic Center is located in the adjacent Improvement Districts 1 and 1A. Facilities at the Civic Center include Municipal Courts, a Sheriff's sub-station and a fire station. A branch of the County Library is proposed to be located at Civic Center.

The General Services Administration of the Federal Government recently acquired a seven-story, \$24,000,000 plant built by the North American Rockwell Corporation in Improvement Districts 1 and 1A. The 1,000,000 square feet of floor space, is to be used for bulk storage of government records. The facility will eventually provide employment for an estimated 2,000 people.

The El Toro Marine Corps Air Station is located 2½ miles north of the Improvement District.

ORANGE COUNTY

Major Manufacturing Industries (200 or More Employees)

Company	Employees	Company	Employees	Company	Employees
Aerospace and Aircraft		Hyland Div. Travenol Labs Inc.	1,500	Hi-Tek Corp.	200
Aerojet-General Corp., Fullerton	1,800	Costa Mesa		Santa Ana	
Air Industries Corporation, Garden Grove	375	Inmont Corp.	400	Hughes Aircraft Ground Systems	
Arrowhead Products, Los Alamitos	350	Maxad Inc.	210	Fullerton	5,469
Bertea Corporation, Irvine	1,000	Fullerton		International Circuit Technology	
Carter J. C. Company, Costa Mesa	233	Nutrilite Products Inc.	430	Costa Mesa	350
Energy Products Division Santa Ana	700	Buena Park		Interstate Electronics Corporation	
Ex-Cell-O Corporation Costa Mesa	250	Plas-Ties	1,300	Anaheim	
Federal-Mogul Corp., Los Alamitos	500	Rexall Chemical Santa Ana	200	ITT	
Fruehauf Corporation, Fullerton	650	Royal Industries Inc.	250	Costa Mesa	200
McDonnell Douglas Corporation, Huntington Beach	14,000	Santa Ana		ITT Cannon Electric	
Northrup Electro-Mechanical Div., Anaheim	1,493	Travenol Laboratories Inc.	225	Santa Ana	2,000
Nortronics, Anaheim	500	Costa Mesa		Joy Manufacturing Corp.	
Parker-Hannifin Corp., Irvine	900	U.S. Polymeric Chemicals Inc.	300	Anaheim	360
Raytheon Company, Santa Ana	275	Santa Ana		Litton Industrial Systems Inc.	
Royal Industries Inc., Santa Ana	650	Electrical and Electronic Machinery, Equipment, and Supplies		Anaheim	250
Rucker Company, Santa Ana	280	Altec Sound Products Division		L T V Ling Altec Inc.	
Susquehanna Corp., Santa Ana	400	Anaheim	937	Anaheim	1,000
Textron Inc., Santa Ana	475	American Electronics Inc.	230	Master Specialties Co.	
Tool Research & Engineering Santa Ana	500	Fullerton	500	Costa Mesa	400
Transport Dynamics Inc., Santa Ana	500	AMF-Potter & Brumfield	225	Metropolitan West Inc.	
		San Juan Capistrano	650	Costa Mesa	200
		Audio Magnetics Corp.	300	North American Rockwell Corp.	
		Irvine		Anaheim	
		Babcock Electronics Corp.	300	Parelco Operations —	300
		Costa Mesa		Potter & Brumfield	
		Battery Systems Inc.	1,500	San Juan Capistrano	400
		Santa Ana		Philco-Ford	
		Borg-Warner Corp. Controls Division	500	(Aeronutronics)	
		Santa Ana	225	Newport Beach	2,200
		Century Data Systems Inc.	650	Rockwell Intl. (Autonetics)	
		Anaheim	300	Anaheim	
		Certron Corp.		Sun Battery Co. Inc.	
		Anaheim	300	Santa Ana	400
		Collins Radio Company	560	Trivex Inc.	
		Newport Beach		Orange	300
		Controls Research Corp.	1,000	United States Filter Corp.	
		Santa Ana	350	Newport Beach	1,000
		Covalence International Corp.	315	Vostron Industries, Inc.	
		Santa Ana		Santa Ana	250
		Dana Laboratories Inc.	200	Wanlass Electric Co.	
		Irvine	220	Santa Ana	300
		Diceon Electronics Inc.	480	Western Digital Corp.	
		Irvine	1,000	Newport Beach	775
		Econolite Div. Altec Corp.	900		
		Anaheim			
		Electronic Instrumentation			
		Anaheim			
		Electronic Products	400		
		Santa Ana			
		Emerson Electric Co.	1,000		
		Stanton	900		
		General Motors, Delco	400		
		Remy Division			
		Anaheim			
		Globe-Union Inc.	400		
		Fullerton	270		
Chemicals and Allied Products					
Allergan Pharmaceuticals Irvine	476				
Amercoat Corporation Brea	650				
Ameron, Corrosion Cntl. Div. Brea	700				
Cities Service Company Tustin	250				
Comdata Corporation Santa Ana	200				

Company	Employees	Company	Employees	Company	Employees
Mueller Co., Brea	325	Coleman Engineering Co. Inc., Santa Ana	300	Rubber and Plastics Products	
Standard Pressed Steel Co., Santa Ana	650	Converters Div. of Amer. Hosp. Supply, Santa Ana	230	AMF Voit Inc.	
Thermco Products Co. Inc., Orange	200	Edwards Laboratories Inc., Santa Ana	300	Santa Ana	1,000
Townsend Co. Cherry Rivet/Boots Nut, Santa Ana	725	G A F Corp., La Habra	200	Califoam Corporation of America	
Wells Marine — Z. D. Products Div., Costa Mesa	200	Martin-Decker Company, Santa Ana	237	Santa Ana	230
Food Products		Pertec Business System, Santa Ana	275	California Injection Molding Co. Inc.	
Adohr Farms Div. The Southland Corp., Santa Ana	420	Robertshaw Controls Company, Anaheim	200	Costa Mesa	280
Bridgford Foods Corp., Anaheim	250	Task Corp., Anaheim	275	Hitco	
Hills Bros. Coffee Inc., Anaheim	1,000	Technicolor Inc., Costa Mesa	285	Irvine	4,300
Kraftco Corporation, Buena Park	452	Vostron Industries, Santa Ana	300	Kirkhill Rubber Co.	
Laura Scudder's, Anaheim	1,200	Vought Optics Coatings & Instrument, Newport Beach	400	Brea	750
National Biscuit Company, Buena Park	250			Monsanto Company	
Pet Inc., Anaheim	550	Miscellaneous Manufacturing		Anaheim	250
		AMF Voit Inc., Santa Ana	1,000	Reeves Rubber Inc.	
		CBS Musical Instrument Div., Fullerton	700	San Clemente	450
		Conolon Corp., Santa Ana	525	Strato Flex Inc.	
		Cox L M Mfg. Co. Inc., Santa Ana	525	Santa Ana	250
		Monarch Marking Systems, Garden Grove	250	Swedlow Inc.	
		F. E. Olds & Son, Fullerton	290	Garden Grove	650
		U S Divers Company, Santa Ana	275	West American Rubber Co.	
				Orange	400
Furniture and Fixtures					
John B. P. Furn. Mfg., Santa Ana	325	Paper and Allied Products			
Liken Inc., Westminster	850	American Can Company, Anaheim	312		
SPS Western, Santa Ana	600	Convertors Inc., Santa Ana	300		
Steelcase Inc.-Western Division, Tustin	350	Menasha Corp. Container Div., Anaheim	360		
		Orchids Paper Products Concel Inc., La Palma	200		
Machinery					
Astrodata Inc., Anaheim	350	Petroleum Refining and Related Industries			
Burroughs Corporation, Mission Viejo	875	Exxon Co. U S A, Orange	5,541		
California Computer Products Inc., Anaheim	920				
Chicksan Div. FMC Corp., Brea	305	Primary Metal Industries			
Computer Automation Inc., Irvine	240	Aluminum Forge Div. Altamil Corp., Santa Ana	200		
Datum Inc., Anaheim	280	Anaconda Wire & Cable Co., Orange	200		
Document Div-Add-Mult Corp., Santa Ana	200				
Electronic Engineering Co. of Cal., Santa Ana	500				
Emhart Corporation, Anaheim	1,034				
Garrison Hydraulics Inc., Santa Ana	240	Printing, Publishing, and Allied Industries			
General Automation Inc., Anaheim	1,000	Freedom Newspapers Inc., Santa Ana	1,500		
Kaiser Industries Corp., Santa Ana	252	Gibson Greeting Cards Inc., Anaheim	1,000		
Knudsen Engineering, Irvine Smith International, Newport Beach	200	Moore Business Forms, Fullerton	300		
Transport Dynamics, Santa Ana	2,900	Orange Coast Daily Pilot, Costa Mesa	200		
Varian Data Machines, Irvine	350	Orange County Evening News, Garden Grove	207		
Xerox Corp., Irvine	750	Register The, Santa Ana	650		
	400	Van de Publishing Co., Huntington Beach	225		
Instruments; Photographic, Medical and Optical Goods					
American Meter Company, Fullerton	250				
Beckman Instruments, Inc., Fullerton	7,600				

Transportation

The Improvement District is bordered on the east by Interstate 5, the main north-south route through California, which extends from the Mexican border south of San Diego to the Canadian border north of Seattle. Access to the freeway is provided by the La Paz Road Interchange. The state recently completed an interchange between Interstate 5 and Alicia Parkway, which will be a major county road along the western boundary of the Improvement District. The Los Angeles-San Diego line of the Atchison, Topeka and Santa Fe Railway, which is part of the Amtrak system, is located immediately east of the Improvement District Rail passenger service is available in Santa Ana and San Clemente.

Bus service to adjacent communities is provided by the Orange County Rapid Transit District. Greyhound provides overland service to Los Angeles and San Diego from the adjacent communities of El Toro and San Clemente.

The Orange County Airport located 20 miles northwest of the District, is served by Air California,

Golden West Airlines and Hughes Airwest. Extensive general aviation facilities are also available.

Commerce

Located at the La Paz Road interchange with Interstate 5, the main access to the Improvement District, are a district shopping center, a neighborhood shopping center and a Hilton Inn.

Another commercial center is located directly east of Interstate 5, also on La Paz Road, but within Improvement Districts 3 and 3A.

Two miles north of Improvement District 2A along Interstate 5 is the Laguna Hills Center, which includes the Laguna Hills Mall, a regional shopping center. The mall presently contains two department stores: Buffum's, part of a ten-store chain based in Long Beach, and Sears; plus 56 shops. It is now being expanded to include two more department stores: the Broadway and J. C. Penney; plus 35 additional specialty shops. The portion of the center adjacent to the mall includes restaurants, financial institutions, offices and neighborhood shopping facilities.

A portion of the commercial area located within the Improvement District





The Hilton Inn located within Improvement District No. 2A

Educational Facilities

Most of the Improvement District is located in the Saddleback Valley Unified School District. There is one elementary school within the District.

Saddleback Valley Community College, a two-year institution, is located in the adjacent Improvement Districts 3 and 3A. The college was opened in 1968 on a temporary site. The present, permanent campus opened in 1969 utilizing relocatable buildings. The college opened its first permanent building, a library-classroom complex in 1973 and during the next year completed a new science-mathematics building.

The University of California, Irvine, was opened in 1965 on a 1,500-acre campus a short distance north of the District. It is the principal higher education facility in Orange County, offering undergraduate and graduate programs in a variety of fields including studies toward a Ph.D. Enrollment has grown to over 7,000 students.

Other institutions of higher education in Orange County are California State College, Fullerton; Chap-

man College; Western State University College of Law, Anaheim; and Pepperdine University College of Law, Santa Ana.

Community Facilities

There are three hospitals in the vicinity of the District. Mission Community Hospital is a 212-bed facility offering patient care, 24-hour emergency room, a separate 35-bed intensive care unit, and a recuperative care unit. South Coast Community Hospital, is located on the Coast Highway in South Laguna. It is served by a staff of about 180 physicians and surgeons. It has been expanded from a 75-bed facility to a present licensed capacity of 263 beds. In January, 1974, the 160-bed Saddleback Community Hospital was opened in Laguna Hills adjacent to the Laguna Hills center.

Two local daily newspapers serve the area, the Santa Ana *Register* and the South Coast *Daily Pilot*. The Los Angeles *Times* and *Herald Examiner* are also circulated in the area.

Recreation and Tourism

Recreational facilities within Improvement District No. 1A include an 18-hole golf course, a private country club and tennis club, three private recreation centers and the 160-acre Niguel Regional Park. It includes a 45-acre lake stocked with fish, four tennis courts, a riding trail and picnic and barbecue facilities.

Two other regional parks are nearby. O'Neill Park has 650 overnight camping facilities, a baseball diamond, picnic facilities and a riding stable. Ronald W. Caspers Memorial Park is the largest in the area, covering 5,500 acres, open to camping, picnicking and hikers.

Another major recreational facility developed by the County is the small craft harbor at Dana Point, southwest of the District. It currently has 1,400 slips for permanent berthing of small craft, plus launching facilities for trailered boats. Construction of additional slips is due to begin soon. Ultimately it will

provide permanent berthing facilities for 2,800 craft.

There are five neighborhood parks and a 26-acre wilderness area within the Mission Viejo development which is located in Improvement Districts 3 and 3A. The Mission Viejo Company plans to create 21 additional neighborhood parks and two community parks by 1990. There are also three recreation centers which are private facilities.

Lion Country Safari is a private recreational facility covering 500 acres north of the District. It contains a variety of African animals and birds which visitors may observe at close hand during a one to one-and-one-half hour drive through the grounds.

Nearby recreational facilities include the world-famous Disneyland in Anaheim, Knott's Berry Farm in Buena Park, and Mission San Juan Capistrano. The Pacific Ocean beaches, Palm Springs desert resorts, and nearby mountains offer a wide range of recreational activities for area residents as well as travelers from out-of-state.

A portion of the Laguna-Niguel Regional Park



Appendix I

R.A.ROWAN & Co.

ESTABLISHED 1904

REAL ESTATE BROKERS

PROPERTY MANAGEMENT • INSURANCE • MORTGAGE LOANS
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December 20, 1972

Districts Securities Division
Office of the Treasurer
State of California
120 Montgomery Street, 13th Floor
San Francisco, CA 94104

Attention: Mr. T. P. Stivers, Executive Secretary

RE: Appraisal of Improvement District 2-A of Moulton-Niguel
Water District

Gentlemen:

Pursuant to the request of Moulton-Niguel Water District, I have made an inspection and investigation of approximately 1,385 acres of land within the boundaries of Improvement District 2-A, and in my opinion the Fair Market Value as of this date, exclusive of any buildings thereon, is not less than--

\$ 22,160,000.00 *

Twenty-Two Million One Hundred Sixty Thousand Dollars

In arriving at the above valuation, I have taken into consideration open market sales of lands within the District, as well as sales of comparable lands in the immediate vicinity of the District being appraised. Consideration has also been given to the proximity of highways and rail facilities to the District, as well as land use and the master plan of Orange County Planning Commission.

* \$ 16,000.00 per acre

The following record of open market sales during the past 36 months represents the various types of lands similar to those of the 1,385 acres being appraised:

<u>Sales Within District Or Immediate Area *</u>	<u>Date Of Sale</u>	<u>Total Sale Price</u>	<u>Average Per Acre</u>
57 Acres	11/69	\$ 1,679,000.00	\$29,460.00
80 Acres	12/69	1,567,500.00	19,570.00
75 Acres	1/70	2,702,120.00	36,000.00
31 Acres	1/70	362,500.00	11,590.00
840 Acres	12/70	5,000,000.00	5,950.00
263 Acres	6/71	1,578,000.00	6,000.00
192 Acres	11/71	1,891,000.00	9,860.00
790 Acres	9/72	5,550,000.00	7,020.00
510 Acres	Current	3,800,000.00	7,460.00

The valuation analysis of the subject lands has included a thorough comparison with the above sales, as well as consideration of other relevant factors, among which are variations of topography, drainage, and accessibility.

* All acreages are approximate

The subject District is located within the southeasterly portion of Orange County approximately 50 miles southeast of the Civic Center of Los Angeles and approximately 16 miles southeast of Santa Ana, the County Seat.

It is my opinion that the highest and best use of the lands being appraised is for single family, multi-residential, commercial, industrial, and recreational use.

There is an existing demand for the purchase of acreage in this area of Orange County and this appraised value is concluded at a price level indicated by recent sales and actual contracts to purchase of comparable properties. The trend of value is definitely upward from the value reported herein and when the construction of water and sewerage facilities necessary to serve District 2-A are completed, this upward trend should increase. In the past 18 months construction of single family residences, industrial and recreational facilities within an eight-mile radius of the subject District has been extremely active.

The undersigned further states:

That he has been engaged in the sales, leasing and appraisal of all types real property in the State of California and the Western United States for the past fourteen years and that he is experienced in the valuation of urban and agricultural lands of all classes;

That he was associated for seven years with the R. A. Redington Company, which firm specialized in the appraising of all forms of real estate, predominantly in the condominium field;

That he opened and operated his own appraisal office for a period of six years, specializing in the appraising of real estate;

That he is now the manager of the Appraisal Division of R. A. Rowan & Co., business and industrial realtors, which firm has specialized in the appraising, selling, leasing, and managing of business and industrial properties in the County of Los Angeles for over sixty years;

That he has been the appraiser for Connecticut Mutual Life Insurance Company in the Los Angeles and Orange County Districts for the past six years and has acted as appraiser of real estate for various governmental agencies, banks, insurance companies, corporations, and individuals;

That he has investigated the property described herein for the purpose of estimating its Fair Market Value;

That he is not interested, directly or indirectly, in the consummation of a sale of the property therein described, or any part thereof.

Respectfully Submitted,



Donald R. Johnson, Manager
Appraisal Division

DRJ:kjb

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